

# **FY 2002-03 Budget Detail for EDUCATION**

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**Community Colleges  
Education  
Higher Education  
School Aid / K-12**



**Summary: Enacted Appropriation  
FY 2002-03 Community Colleges  
Senate Bill 1100  
Public Act 161 of 2002**

**Analyst: Caven A. West**

						<u>Change from YTD at 5/10/02</u>	
	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	FTEs/Dollars	%
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<b>Gross</b>	\$321,596,319	\$321,732,319	\$321,732,319	\$321,732,319	\$321,732,319	\$0	0.0
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Local</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Private</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Restricted</b>	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$0	0.0
<b>GF/GP</b>	\$319,596,319	\$319,732,319	\$319,732,319	\$319,732,319	\$319,732,319	\$0	0.0

## OVERVIEW

Michigan's 28 community colleges are funded from four revenue streams: state aid, student tuition and fees, local property taxes, and revenues from grants. The colleges annually enroll over 400,000 students and offer a full range of traditional transfer and occupational programs along with customized training for private companies.

### Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>Senate</u>	<u>House</u>	<u>Enacted</u>
<b>1. Operational Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Retains FY 2001-02 funding level of \$315.5 million GF/GP for operations.	GF/GP	\$0	\$0	\$0
<b>2. At-Risk Student Success Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Maintains funding level of \$3.6 million GF/GP currently earmarked for remedial education services to at-risk students.	GF/GP	\$0	\$0	\$0
<b>3. Renaissance Zones Reimbursement Program</b>	<b>Gross</b>	<b>\$136,000</b>	<b>\$136,000</b>	<b>\$136,000</b>
Adds \$136,000 GF/GP to reimburse certain colleges for personal property tax revenue losses due to Renaissance Zone developments.	GF/GP	\$136,000	\$136,000	\$136,000
<b>4. Postsecondary Access Student Scholarship Program (PASS)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Retains current-year funding level to provide scholarships under the PASS program.	GF/GP	\$0	\$0	\$0

### Major Boilerplate Changes from FY 2001-02:

#### **Sec. 220. Funding Special Maintenance Projects (New)**

Expresses intent for development of alternative means to fund special maintenance projects at community colleges.

#### **Sec. 228. Intent to Fully Fund the Gast-Mathieu Formula**

Expresses intent to fully fund the Gast-Mathieu funding formula.

#### **Sec. 235. Dual Enrollment Workgroup (New)**

Provides authorization to form a legislative work group to discuss acceptance of course credits with certain universities.

**Major Boilerplate Changes from FY 2001-02:**

***Sec. 403. Economic Development Job Training (EDJT) Grants***

Earmarks 70% of the EDJT funds for job training at community colleges.

***Sec. 404. Postsecondary Access Student Scholarship Program***

Removes the age eligibility requirement to increase access to the program.

**Summary: Enacted Appropriation  
FY 2002-03 Education  
Senate Bill 1103  
Public Act 522 of 2002**

**Analyst: Caven A. West**

	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	Change from YTD at 5/10/02	
						FTEs/Dollars	%
<b>FTEs</b>	461.0	413.4	413.4	442.1	442.1	(18.9)	(4.1)
<b>Gross</b>	\$995,560,300	\$89,896,000	\$210,282,100	\$216,617,900	\$215,593,000	(\$779,967,300)	(78.3)
<b>IDG/IDT</b>	\$518,000	\$518,000	\$518,000	\$1,000,000	\$1,000,000	\$482,000	93.0
<b>Federal</b>	\$942,579,400	\$39,863,400	\$160,767,500	\$165,731,500	\$165,731,500	(\$776,847,900)	(82.4)
<b>Local</b>	\$4,889,600	\$4,744,200	\$4,744,200	\$4,744,200	\$4,744,200	(\$145,400)	(3.0)
<b>Private</b>	\$701,400	\$701,400	\$701,400	\$701,400	\$701,400	\$0	0.0
<b>Restricted</b>	\$14,036,000	\$13,959,300	\$13,959,300	\$14,329,300	\$14,329,300	\$293,300	2.0
<b>GF/GP</b>	\$32,400,800	\$30,109,700	\$30,109,700	\$30,111,500	\$29,086,600	(\$3,314,200)	(10.2)

## OVERVIEW

The Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Department of Education (DOE) is the administrative arm of the Board charged with implementing state and federal educational mandates. Major responsibilities of the DOE include developing and overseeing the K-12 school system, certifying teachers, collecting and reporting educational data, disbursing funds to educational organizations, and providing technical assistance to local school districts.

### Major Budget Changes from FY 2001-02 Appropriations:

		<u>Senate</u>	<u>House</u>	<u>Enacted</u>
<b>1. Off-Road/All-Terrain Safety Education Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>
To deliver additional safety education training statewide.	Restr	0	100,000	100,000
	GF/GP	\$0	\$0	\$0
<b>2. Motorcycle Safety Education Equipment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$200,000</b>
Increase in the School Support operations line to purchase additional motorcycles for safety education training statewide.	Restr	0	200,000	200,000
	GF/GP	\$0	\$0	\$0
<b>3. State School Breakfast Program</b>	<b>Gross</b>	<b>\$946,900</b>	<b>\$946,900</b>	<b>\$946,900</b>
Increase of 18% to reimburse local school districts for meals served to students.	GF/GP	\$946,900	\$946,900	\$946,900
<b>4. National Board Certification Scholarships</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>
To pay up to one-half of the tuition for teachers to become certified by the National Board for Professional Teaching Standards.	Restr	0	50,000	50,000
	GF/GP	\$0	\$0	\$0

### Major Boilerplate Changes from FY 2001-02:

#### **Sec. 211 (e). Office for Safe Schools - 800 Hotline Advertisement - VETOED**

Earmarks up to \$50,000 to advertise the anti-violence school hotline. Governor vetoed subsection (e), but continues funding to operate the Office for Safe Schools.

#### **Sec. 222. Early Retirement Plan Waiver (New)**

Provides that positions funded 100% with federal or restricted funds are exempt from the early retirement replacement policy.

**Major Boilerplate Changes from FY 2001-02:**

***Sec. 409. Capital Outlay Expenditures (New)***

Requires the Department to ensure that rental payments are used only to maintain/upgrade buildings designated in each tenant's lease agreement.

***Sec. 503 (FY 2001-02). Autism Grant to Grand Valley State University (GVSU) - DELETED***

Deletes carry-forward authority for a direct grant to GVSU to support the autism teacher education program.

***Sec. 503. Restricted Fund Balance Reports (New)***

Requires the Department to submit a restricted fund balance report to the Legislature and to explore ways to minimize costs to teachers for services rendered by the Department.

**Summary: Enacted Appropriation  
FY 2002-03 Higher Education  
Senate Bill 1105  
Public Act 144 of 2002**

**Analyst: Hank Prince**

		Change from YTD at 5/10/02					
	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	FTEs/Dollars	%
<b>FTEs</b>	1.0	0.0	1.0	1.0	1.0	0.0	0.0
<b>Gross</b>	\$1,925,842,366	\$1,939,071,166	\$1,943,717,366	\$1,943,717,366	\$1,943,345,166	\$17,502,800	0.9
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	\$4,900,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$600,000	12.2
<b>Local</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Private</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Restricted</b>	\$108,273,850	\$125,573,850	\$125,573,850	\$125,573,850	\$125,573,850	\$17,300,000	16.0
<b>GF/GP</b>	\$1,812,668,516	\$1,811,997,316	\$1,812,643,516	\$1,812,643,516	\$1,812,643,516	(\$25,000)	0.0

NOTE: Year-to-Date figures do not include \$9.2 million in Restricted (Michigan Merit Award Trust Fund) monies included in the supplemental.

**OVERVIEW**

The Higher Education budget provides state operational support for the fifteen state universities, grants to independent colleges and universities, need-based financial aid for students attending public and independent colleges and universities within Michigan, Michigan Merit Awards, and support for statewide programs such as the Agricultural Experiment Station and the Cooperative Extension Service. As part of a tuition-restraint agreement between legislative leaders and the Governor, the FY 2002-03 Higher Education budget is almost entirely a standstill duplicate of the FY 2000-01 higher education budget.

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

**UNIVERSITY OPERATIONS**

**1. Base University Funding**

Maintains the same level of funding as in FY 2001-02 as part of a state university agreement to restrain resident undergraduate tuition and fee increases (see Sec. 436 below). The Senate and the House concurred with the Executive proposal.

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**STATEWIDE PROGRAMS**

**2. Rare Isotope Accelerator**

Uses funding from the Tobacco Settlement Trust Fund to support design and architectural study efforts to enable Michigan State University (MSU) to become the national location of this federally-funded research facility. The Senate and the House concurred with the Executive proposal.

<b>Gross</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>Restr</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**3. Project GREEN**

Maintains funding for this agricultural research project to the level of a previous commitment. Proposed Executive reductions would have been split between the Agricultural Experiment Station (\$101,500) and Cooperative Extension Service (\$90,000). Neither the Senate nor the House accepted the proposal.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

		<u>Senate</u>	<u>House</u>	<u>Enacted</u>
<b>4. Michigan Molecular Institute - VETOED</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$236,900)</b>
Eliminates funding to support research in polymers and carbon filaments at this private institute. The Senate and the House provided the same level of funding. A gubernatorial veto terminated funding.	GF/GP	\$0	\$0	(\$236,900)
<b>5. Midwestern Higher Education Compact</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Continues payment of annual dues for Michigan's participation in the Compact. The Executive Budget had recommended repeal of 1990 PA 195, the enabling statute, as well as elimination of the dues payment. The Senate and the House retained funding.	GF/GP	\$0	\$0	\$0
<b>6. Grant for General Degree Graduates – PARTIAL VETO</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$135,300)</b>
Maintains all funding but the previous set-aside of \$135,300 for the prison education program conducted by Spring Arbor University. The college had suspended program operations until May 2002. Neither the Senate nor the House reduced funding for the general degree reimbursement program, and both retained the Spring Arbor University set-aside. The Governor vetoed the set-aside.	GF/GP	\$0	\$0	(\$135,300)
<b>7. Federal Financial Aid</b>	<b>Gross</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Recognizes additional federal funding for State Competitive Scholarship (\$300,000) and Byrd Honors Scholarship (\$300,000) programs.	Federal	600,000	600,000	600,000
	GF/GP	\$0	\$0	\$0
<b>8. Michigan Merit Award Program</b>	<b>Gross</b>	<b>\$11,300,000</b>	<b>\$11,300,000</b>	<b>\$11,300,000</b>
Provides additional funding from the Merit Award Trust Fund to provide for an estimated increase in recipients in FY 2002-03. The proposed amount assumed that the underlying statute is amended to restrict usage to the two academic years immediately after high school graduation and to provide a deadline for submission of required certification forms (the usage was subsequently restricted to four years).	Restr	11,300,000	11,300,000	11,300,000
	GF/GP	\$0	\$0	\$0
<b>9. Nursing Scholarships</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
Creates a Nursing Scholarship program to be funded from Michigan Merit Award Trust Fund. The House funded a proposed scholarship program but included specific operational language in Sec. 312. The Senate amended the House language and the House subsequently concurred with the Senate amendment.	Restr	4,000,000	4,000,000	4,000,000
	GF/GP	\$0	\$0	\$0

**Major Boilerplate Changes from FY 2001-02:**

***Sec. 214. Tuition Tax Credit Repeal Contingency Appropriation***

Retains reporting requirement but deletes former Sec. 214 subsection that provided for an appropriation contingent upon repeal of the tuition tax credit. The Senate removed the contingent appropriation, but retained the reporting requirement. The House concurred with the Senate.

***Sec. 302(7). Tuition Grant Program***

Revises language to permit Ferris State University (FSU) students enrolled in its Kendall College of Art and Design prior to January 1, 2001, to receive tuition grant support until they graduate or are no longer enrolled in that college. The Senate concurred with an Executive proposal. The House amended the eligibility restriction to students who continue to be enrolled in FSU's Kendall College and the Senate concurred with the House amendment.



**Major Boilerplate Changes from FY 2001-02:*****Sec. 312. Nursing Scholarship Program (New)***

Authorizes the Michigan Higher Education Assistance Authority to establish and administer the nursing scholarship program as provided by law. The Senate had proposed the Authority conduct the program. The House appropriated funds for a nursing scholarship program administered by the Michigan Board of Nursing and specified some of the parameters of the program, including the expenses that may be covered by the scholarships. The Senate amended the House language to provide administration of the scholarship program by the Michigan higher education assistance authority, and the House then accepted the Senate amendment. If statutory provisions are enacted, the provisions of Sec. 312 are superseded.

***Sec. 436. Tuition Restraint Language (New)***

Provides for a maximum increase in resident undergraduate tuition and fees of \$425 or 8.5% over the prior year, whichever is greater, for a full-year equated student (FYES) enrolled at a state university. A state university president shall inform the Legislature by February 28, 2002, of the institution's voluntary agreement to this condition. The state budget director is authorized to withhold an amount equal to resident undergraduate tuition revenue for the 2002-03 academic year for a university that does not comply and to have those funds redistributed to the universities honoring the restraint. The Senate and the House concurred with the Executive proposal.

***Sec. 437. Rare Isotope Accelerator (New)***

Specifies use of a \$2.0 million appropriation (Tobacco Settlement funds) for design and architectural studies related to proposed accelerator facilities at MSU. The House and Senate concurred with the Executive proposal.

***Sec. 438. Contingent Floor-Funding Intent Language (New)***

Inserts a new section: "It is the intent of the legislature that if the May 2002 consensus revenue estimating conference determines that additional state general fund general purpose revenue is available for expenditure in fiscal year 2002-2003, funds shall be appropriated to the state public universities that have a per fiscal-year-equated student appropriation less than the per fiscal-year-equated student funding floor amount specified in section 409." The Senate had originally proposed funding for those campuses with student funding floors below \$4,500 per fiscal-year-equated student, and then concurred with the House language.

***Sec. 439. Bipartisan Dual-Enrollment Workgroup (New)***

Inserts intent language concerning formation of a bipartisan workgroup to examine state university admission and enrollment policies regarding acceptance and application of college credits earned through the postsecondary enrollment options act. The Senate concurred with the House proposal.

***Sec. 701. Enrollment Audits***

Amends language to provide for review of enrollment data submitted by all state universities through the HEIDI (higher education database) system and an on-site audit of selected universities if necessary.

**Summary: Enacted Appropriations  
FY 2002-03 School Aid  
Senate Bill 1107 — Public Act 191 of 2002  
House Bill 5881 — Public Act 521 of 2002**

**Analysts: Mary Ann Cleary  
Laurie Cummings**

						Change from YTD at 5/10/02	
	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	FTEs/Dollars	%
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Gross	\$11,451,113,400	\$12,813,833,400	\$12,695,787,600	\$12,711,557,600	\$12,710,380,100	\$1,289,266,700	11.3
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Federal	\$203,000,000	\$1,348,305,800	\$1,227,401,700	\$1,227,401,700	\$1,219,825,200	\$1,016,825,200	500.9
Local	\$0	\$700,000	\$0	\$0	\$700,000	\$700,000	n/a
Private	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Restricted	\$11,049,699,900	\$11,266,414,100	\$11,266,229,400	\$11,285,742,400	\$11,291,441,400	\$241,741,500	2.2
GF/GP	\$198,413,500	\$198,413,500	\$202,156,500	\$198,413,500	\$198,413,500	\$0	0.0

**OVERVIEW**

The School Aid budget makes appropriations to the state's 554 local school districts, 171 public school academies, and 57 intermediate school districts for operations and certain categorical programs. It also appropriates funds to the Department of Education, Department of Career Development, and other departments to implement certain grants and other programs related to K-12 education. Public Act 521 of 2002 is the fourth public act to make FY 2002-03 appropriations for schools—preceded by 2000 PA 297, 2001 PA 121, and 2002 PA 191. Public Act 521 creates a FY 2003-04 budget for the first time—a budget which is nearly identical to the FY 2002-03 budget.

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

		Senate	House	Enacted
<b>1. Foundation Allowance Increase</b>	<b>Gross</b>	<b>\$336,000,000</b>	<b>\$336,000,000</b>	<b>\$336,000,000</b>
Allocates per-pupil basic foundation allowance increases of \$200 to \$6,700 per student.	Restr	336,000,000	336,000,000	336,000,000
	GF/GP	\$0	\$0	\$0
<b>2. Elimination of Personal Property Tax Depreciation Table Funding</b>	<b>Gross</b>	<b>(\$93,400,000)</b>	<b>(\$93,400,000)</b>	<b>(\$93,400,000)</b>
Removes all funding associated with revisions to the personal property tax depreciation table. Total estimated savings from sections 22a, 56, 62, and 81 is \$93.4 million.	Restr	(93,400,000)	(93,400,000)	(93,400,000)
	GF/GP	\$0	\$0	\$0
<b>3. Federal Funding - "No Child Left Behind" and Other Federal Funding</b>	<b>Gross</b>	<b>\$657,933,500</b>	<b>\$657,933,500</b>	<b>\$641,414,700</b>
Appropriates federal grant funds usually appropriated in the Department of Education budget, as well as new federal education funding for a variety of school programs.	Federal	657,933,500	657,933,500	641,414,700
	GF/GP	\$0	\$0	\$0
<b>4. Foundation Allowance Adjustment for Small Class Sizes and Detroit Public Schools</b>	<b>Gross</b>	<b>\$18,500,000</b>	<b>\$18,500,000</b>	<b>\$18,500,000</b>
Funds small class-size programs (\$26.7 million under former Sec. 32e) and grant to Detroit (\$15.0 million under former Sec. 33) under Sec. 20 and rolls the grants into the foundation allowances of eligible districts.	Restr	18,500,000	18,500,000	18,500,000
	GF/GP	\$0	\$0	\$0

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

		<u>Senate</u>	<u>House</u>	<u>Enacted</u>
<b>5. Teen Health Centers</b>	<b>Gross</b>	<b>\$2,343,000</b>	<b>(\$2,400,000)</b>	<b>\$1,343,000</b>
Funds teen centers at \$3.7 million in FY 2002-03 out of At-Risk funds. Program was transferred from the Department of Community Health (DCH).	Restr	0	(2,400,000)	1,343,000
	GF/GP	\$2,343,000	\$0	\$0
<b>6. School Health Curriculum Grants</b>	<b>Gross</b>	<b>\$3,180,000</b>	<b>\$3,180,000</b>	<b>\$3,180,000</b>
Appropriates \$3.2 million for a program currently in the DCH budget; DCH will continue to be the lead department for the program.	Restr	3,180,000	3,180,000	3,180,000
	GF/GP	\$0	\$0	\$0
<b>7. State Education Tax (SET) Local Treasurer Payment</b>	<b>Gross</b>	<b>\$4,600,000</b>	<b>\$4,600,000</b>	<b>\$4,600,000</b>
Reimburses local treasurers for implementation of an SET collection schedule change. A portion of the fee will be given to local treasurers for the 1 mill reduction and another portion will be given to those treasurers who do not have a summer tax collection.	Restr	0	0	0
	GF/GP	\$4,600,000	\$4,600,000	\$4,600,000
<b>8. School Bond Loan Redemption Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,374,000</b>
Transfers funding for this program from the Department of Treasury for FY 2002-03 only.	Local	0	0	700,000
	GF/GP	\$0	\$0	\$4,674,000
<b>9. Center for Educational Performance and Information (CEPI)</b>	<b>Gross</b>	<b>\$2,168,000</b>	<b>\$2,168,000</b>	<b>\$4,525,600</b>
Transfers \$4.5 million for this program to the Department of Management and Budget. Of this appropriation, \$2.5 million is for the Standard and Poor's Contract.	Federal	0	0	2,357,600
	GF/GP	\$2,168,000	\$2,168,000	\$2,168,000
<b>10. Adult Education</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$2,500,000</b>
Appropriates \$77.5 million for adult education programs.	Restr	5,000,000	5,000,000	2,500,000
	GF/GP	\$0	\$0	\$0
<b>11. Grand Valley State University (GVSU) Autism Grant</b>	<b>Gross</b>	<b>\$500,000</b>	<b>\$1,000</b>	<b>\$500,000</b>
Pays \$500,000 to GVSU for developing cooperative programs with area districts and ISDs to provide services.	Restr	500,000	1,000	500,000
	GF/GP	\$0	\$0	\$0
<b>12. School Consolidation Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
Increases the foundation allowance of districts that consolidate to the level of the highest foundation allowance plus \$50 capped at the "hold harmless" state maximum.	Restr	0	1,000,000	1,000,000
	GF/GP	\$0	\$0	\$0
<b>13. Golden Apple Awards</b>	<b>Gross</b>	<b>\$132,000</b>	<b>\$132,000</b>	<b>\$1,320,000</b>
Provides \$1.3 million for grants of \$10,000 per eligible building to reward schools with high or improving MEAP test scores.	Restr	132,000	132,000	1,320,000
	GF/GP	\$0	\$0	\$0
<b>14. Michigan Virtual University (MVU)/Wireless Study</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$10,084,700</b>
Appropriates \$11.6 million to the MVU to continue operations (\$1.5 million) and to create a new appropriation for federal grant programs (\$6.6 million) and a new study of wireless technology (\$3.5 million).	Federal	0	1,000	6,584,700
	GF/GP	\$0	\$0	\$3,500,000

**Major Boilerplate Changes from FY 2001-02:**

***Sec. 8c. Broadband Survey***

Requires ISDs to conduct a technology assessment survey of their constituent school districts by November 1, 2002, regarding broadband infrastructure and services.

***Sec. 11(3). Proration Language***

Protects the foundation allowances of charter schools at the 1994-95 level if there is a proration caused by insufficient School Aid Fund revenues.

***Sec. 22b. Litigation Language***

Adds language giving the state the right to pay for up to \$1.0 million in litigation costs out of discretionary funds and to escrow discretionary funds from Sec. 22b to pay any amount owed due to litigation. Requires the state to make payments out of Sec. 22b funding if the state is found to be in violation of the Headlee amendment and makes other changes related to litigation.

**Major Boilerplate Changes from FY 2001-02:**

**Sec. 94a. Center for Educational Performance and Information (CEPI)**

Transfers funding for the program to the Department of Management and Budget and makes the CEPI part of this department. Adds language authorizing CEPI including defining its responsibilities, requiring creation of an advisory committee to oversee the organization, and specifying its appropriations. Requires CEPI to pay \$2 per pupil to ISDs and constituent districts for the Single Record Student Database (SRSD) system. Allows February and September pupil 2002 counts to be sent using the Education Data Network (EDN) if determined non-auditable.

**Sec. 98. Michigan Virtual University**

Adds language for the Michigan Virtual University stating the goals, duties, and responsibilities of the organization—including setting up five pilot sites to study the effectiveness of wireless technology and coordinating certain activities related to expending federal grant funds.

**Sec. 105. Schools of Choice**

Phases out language that protects school districts from losing more than 10% of their pupil membership to other school districts through schools of choice by giving districts 75% of their FY 2002-03 allocation in FY 2002-03, 50% in FY 2003-04, and 25% in FY 2004-05; funding would be discontinued in FY 2005-06.

**Supplemental for FY 2001-02:**

**1. Adjustments for Revised Pupil/Taxable Value/Special Education Estimates**

Revises sections 22a, 22b, 51a, and 51c to align with the latest estimates for pupil memberships, taxable values, special education costs and revenue projections. A \$350.0 million withdrawal from the Budget Stabilization Fund (BSF) was made via House Bill 5883, 2002 PA 504, in support of the FY 2001-02 School Aid budget.

<b>Gross</b>	<b>(\$27,551,700)</b>
Restr	(377,551,700)
BSF	350,000,000
GF/GP	\$0

**2. Teen Health Centers**

Appropriates \$2.4 million from At-Risk grants to allow school-based health clinics to continue through Fall 2002. Program was transferred from the Department of Community Health; FY 2000-01 DCH appropriation was \$3.7 million.

<b>Gross</b>	<b>\$2,400,000</b>
Restr	2,400,000
GF/GP	\$0